



# Department of Justice

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## **THREE JAPANESE EXECUTIVES INDICTED IN PRICE-FIXING CONSPIRACY** **Ibiden Co. Ltd. Agrees to Pay \$3.6 Million Criminal Fine**

WASHINGTON, D.C.--Three top executives of Ibiden Co. Ltd., were indicted today by a federal grand jury for participating in an international cartel to fix the price of non-machined and semi-machined isostatic graphite, the Department of Justice announced. In addition, Ibiden, a Japanese producer of isostatic graphite, has agreed to plead guilty and to pay a \$3.6 million criminal fine for its role in the same conspiracy.

Isostatic graphite is a fine grain carbon product with great strength and resistance to heat and chemical reaction. It is commonly used to produce, among other products, electrodes for electrical discharge machinery, dies for the continuous casting of metals, and various products used in the semi-conductor industry, which require its unique properties.

In the indictment, filed in the U.S. District Court in Philadelphia, the grand jury charged Masaru Endo, Chairman of Ibiden; Shigeo Yasuda, general manager of Ibiden's Ceramic Department; and Akira Hashimoto, general manager of International Sales in Ibiden's Ceramic Department, with conspiring with unnamed corporate and individual co-conspirators to suppress and eliminate competition by fixing the price of non-machined and semi-machined isostatic graphite sold in the United States and elsewhere from as early as July 1993 until at least February 1998. All three executives are Japanese citizens.

At the same time, a separate charge was also filed in U.S. District Court in Philadelphia against Ibiden Co. Ltd. of Ogaki, Japan, for its participation in the isostatic graphite price-fixing

conspiracy. As part of its plea agreement, which must be approved by the court, Ibiden has agreed to cooperate with the prosecution of the individual isostatic graphite defendants.

Ibiden is the third company to be charged with participating in the isostatic graphite conspiracy, following Carbone of America Industries Corp. (CAIC) and Toyo Tanso USA Inc. Two other executives -- Michel Coniglio, CAIC's President and Chief Executive Officer, and Takeshi Takagi, an executive of Toyo Tanso USA's Japanese parent -- have also pleaded guilty to price-fixing charges. The \$3.6 million fine against Ibiden, if approved by the court, would bring the total fines imposed in this investigation to more than \$15 million.

The indictment and information charge the defendants and co-conspirators with carrying out the price-fixing conspiracy by:

- participating in meetings and conversations to discuss prices and grades of non-machined and semi-machined isostatic graphite sold in the U.S. and elsewhere;
- agreeing to charge prices at certain levels and to increase and maintain those prices;
- agreeing to maintain market shares on the sale of non-machined and semi-machined
- agreeing to refrain from selling non-machined and semi-machined isostatic graphite to a co-conspirator's customer;
- agreeing to eliminate discounts from the fixed price of non-machined and semi-machined isostatic graphite;
- agreeing to standardize the grades of non-machined and semi-machined isostatic graphite;
- exchanging sales and customer information for the purpose of monitoring and enforcing the terms of the agreement; and
- issuing price announcements and price quotations in accordance with the agreements reached.

"The charges filed today further demonstrate the Division's resolve to detect and prosecute those companies and individuals involved in international cartels that harm American businesses and consumers," said Charles A. James, Assistant Attorney General in charge of the Antitrust Division.

Ibiden and the three individuals are charged with violating Section 1 of the Sherman Act, which carries a maximum fine of \$10 million for corporations and a maximum penalty of three years imprisonment and a \$350,000 fine for individuals.

The maximum fine for both corporations and individuals may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime, if either of these amounts is greater than the statutory maximum fine.

Today's charges are the result of an ongoing investigation being conducted by the Antitrust Division's Philadelphia Field Office and the Federal Bureau of Investigation in Philadelphia.

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